

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

HARVARD REAL ESTATE-ALLSTON, INC.

Plaintiff,

v.

KMART CORPORATION,

Defendant.

Civil Action No. 04-12249-DPW

AFFIDAVIT OF S. JEFFREY STOLLENWERCK

S. Jeffrey Stollenwerck states under the penalties of perjury:

1. I am an employee of Kmart Corporation ("Kmart"). I make this affidavit on my own personal knowledge for consideration by this Court in support of the Opposition of Kmart Corporation to Plaintiff's Motion to Remand to the Boston Municipal Court, Brighton Division, and for Costs and Attorney's Fees, Pursuant to 28 U.S.C. § 1447(c).

2. I have been employed by Kmart since May 6, 2003 and presently hold the position of Vice President - Real Estate. My responsibilities at Kmart include management of Kmart's real estate department and oversight of Kmart's real estate portfolio.

3. I am familiar with the premises (the "Premises") located within the shopping center commonly known as the Brighton Mills Shopping Center, situated in Brighton, Massachusetts and leased by Kmart under that certain

commercial lease dated January 26, 1978, formerly between Paul A. Faraca and Marvin Shiller, Trustees, as landlord and Caldor, Inc. Mass., as predecessor in interest to Kmart as tenant (the "Lease").

4. Kmart currently leases the Premises from Harvard Real Estate-Allston, Inc. ("Harvard") pursuant to the terms of the Lease.

5. Under the Lease, Kmart is obligated to pay Harvard a minimum rent at the annual rate of \$225,000.00, as adjusted to reflect changes in the Consumers Price Index, plus two percent of all Gross Sales (as that term is defined in the Lease) made by Kmart in excess of \$14,000,000.00.

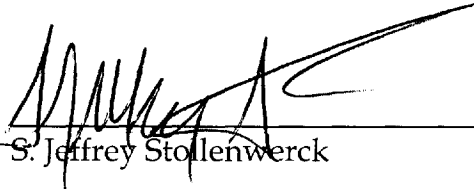
6. For the lease period beginning February 1, 2004 and ending January 31, 2005, Kmart calculates that it will pay Harvard approximately \$315,756 in rent under the terms of Lease, exclusive of real estate taxes.

7. On an annualized basis, the fair market rental value of premises substantially similar to the Premises, for the period beginning January 31, 2004 and ending January 31, 2005, is in excess of \$750,000. I have based this determination on my general knowledge of the local real estate market, my knowledge of rental rates Harvard has sought for other space within the Brighton Mills Shopping Center and my knowledge of the prices Kmart has been able to obtain by selling certain of its other below-market leases.

8. Kmart believes that if it relocated its store from the Premises to a similar location in or near Brighton, Massachusetts, it would incur annual rent obligations in an amount exceeding \$750,000.

9. On or about August 2004, Harvard offered to provide cash and other consideration valued by Harvard to be worth \$4.5 million in exchange for Kmart's voluntary termination of the Lease.

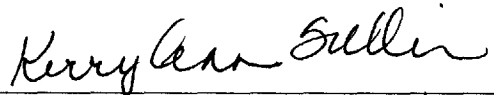
10. Based on the above and on my experience as Kmart's Vice President - Real Estate, the current rental rate payable by Kmart under the Lease is substantially below market, such that the value to Harvard in terminating the Lease is well in excess of \$75,000.


S. Jeffrey Stollenwerck

STATE OF CONNECTICUT

Fairfield, CT ss

On this 13th day of December 2004, before me, the undersigned notary public, personally appeared S. Jeffrey Stollenwerck, as Vice President - Real Estate for Kmart Corporation, a corporation, proved to me through satisfactory evidence of identification, which was a DRIVER'S LICENSE, to be the person whose name is signed on the preceding or attached document, and acknowledged to me that he signed it voluntarily for its stated purpose.


My commission expires 1/31/07

KERRY ANN SULLIVAN
NOTARY PUBLIC
MY COMMISSION EXPIRES 1/31/2007